



H.R. ____: THE IMPORT SECURITY AND FAIRNESS ACT

Responding to the Explosion in Imported E-Commerce Packages

Since 1938, the intention of de minimis in U.S. trade law has been to ease the burden on the U.S. government related to processing imports – the revenue collected from imports of low value simply wasn't worth the effort. Instead of going through a formal process, these low-value imports enjoyed simplified import processes and didn't have to pay any duties, taxes, or fees due to the U.S. government. The original limit for such low value de minimis shipments was \$1.

The government has significantly raised this limit since 1938, to \$200 in 1990s and most recently to \$800 in 2016. **The latest increase has coincided with an explosion in e-commerce packages that use the de minimis provision to enter the United States, currently more than two million packages per day.** This influx of imports that do not pay duties, taxes, and fees and provide less data to the U.S. government has created a wide-ranging set of unaddressed issues, including:

- *Compliance with U.S. Laws:* Regulators including U.S. Customs and Border Protection (CBP) and the Consumer Product Safety Commission have raised strong concerns about compliance with basic U.S. laws designed to protect the United States from unsafe and illicit imports, including goods made with forced labor.
- *U.S. Competitiveness:* Imports that don't have to pay duties, taxes, and fees at the border gain a significant competitive advantage over other similar products, particularly when imported from countries with markets distorted by government intervention.

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- *Prohibits Goods from Countries that are Both Non-Market Economies and on the U.S. Trade Representative's (USTR) Priority Watch List from Using De Minimis:* To address concerns related to U.S. competitiveness, the legislation prohibits goods from non-market economies, such as China, from benefitting from de minimis treatment. The U.S. government has found that such countries provide unfair benefits to their companies. This change ensures that shipments from these countries don't benefit further under U.S. law.
- *Requires CBP to Collect More Information on All De Minimis Shipments and Prohibits Use by Bad Actors:* To address concerns regarding compliance with U.S. laws, this provision makes common-sense changes that will require CBP to collect more information on de minimis shipments and prohibit importers that have been suspended or debarred from being able to use de minimis. This provision provides statutory support for the ongoing work that multiple administrations at CBP have already started.

Endorsements: AFL-CIO, Alliance for American Manufacturing, Citizens Trade Campaign, Coalition for a Prosperous America, Communications Workers of America, IBEW, International Association of Machinists and Aerospace Workers, National Council of Textile Organizations, PeopleForBikes, Public Citizen, ReThink Trade, U.S. Footwear Manufacturers Association, United Brotherhood of Carpenters and Joiners of America, United Steelworkers.